

# Target Market Determination for Holiday Property Protection cover

## About this document

This Target Market Determination (TMD) applies to the Holiday Property Protection Insurance product. It seeks to offer customers, distributors and employees an understanding of the class of customers for which these products have been designed, considering their needs, objectives and financial situation.

This document is not intended to provide financial advice regarding coverage, nor does it form a part of the terms of cover. In addition to the key eligibility requirements outlined in this document, the product is also subject to acceptance criteria. Customers must refer to the Product Disclosure Statement (PDS) and any supplementary document(s), which outline the relevant terms, conditions, exclusions and insurance cover being provided under the product, when making a decision about this product.

### 1. Issuer

Certain Underwriters at Lloyd's

### 2. Date from which this Target Market Determination is effective

This Target Market Determination will apply to new business policies that are purchased and have an effective date from 1 August 2023 or renewal policies with a cover effective date on or after 19 August 2023. For historical versions of this document, please contact your insurer or distributor, or refer to our website at [www.sgua.com.au](http://www.sgua.com.au).

### 3. Class of customers that fall within this target market

The Holiday Home Insurance product is designed to offer choices of cover for a class of customers whose likely needs, objectives and financial situation outlined below, are aligned with the product and its key attributes and eligibility criteria.

#### 3.1 Product description and key attributes

The Holiday Home Insurance product can be tailored to suit the individual person. This can be based on the value of their buildings and/or contents, inclusion of additional or specific assets, and options for excess, certain optional covers and premium payment arrangements.

Depending on your needs you can choose Packaged cover or Customised cover. The key eligibility requirements to purchase this insurance product include:

#### 3.1.1 Packaged cover

Summary of key attributes	This product is appropriate for	This product is not appropriate for
The type of property you own	Owners not seeking building cover	Providing cover for owner's primary residential building such as a: <ul style="list-style-type: none"> <li>• Free standing house</li> <li>• Townhouse, villa or duplex</li> <li>• Semi-detached house or terrace</li> </ul>

How the property is used and occupied	A private residential building that: <ul style="list-style-type: none"> <li>Is a secondary property used as a holiday home</li> <li>Is rented out to tenants for short term stays of less than 3 months</li> </ul>	The property is a business, including but not limited to: <ul style="list-style-type: none"> <li>Bed &amp; breakfasts</li> <li>Nursing homes</li> <li>Retirement villages</li> <li>Boarding houses</li> <li>Public/community housing</li> <li>Used predominately for commercial or business reasons (other than for holiday rental purposes)</li> </ul>
The condition of your property that you rent out	The property meets the acceptable dwelling criteria, including being: <ul style="list-style-type: none"> <li>Secure</li> <li>Watertight</li> <li>Structurally sound, and</li> <li>Well maintained</li> </ul>	The property fails the acceptable dwelling criteria, including being: <ul style="list-style-type: none"> <li>Under initial construction</li> <li>For Liability cover: if under renovations that costs more than specified in the PDS</li> </ul>
The type of Contents you own	<ul style="list-style-type: none"> <li>We will cover household contents or items that you own or are legally responsible for, and</li> <li>Are items which you have left at the property for use by the tenant as defined in the PDS</li> </ul>	Contents listed as excluded 'contents that we don't insure' or 'contents do not include' in the PDS

### 3.1.2 Customised cover

Key eligibility criteria	This product is appropriate for	This product is not appropriate for
The type of property you own	Building and/or Contents that you own and use as a holiday home or rented out to tenants for short term stays, including buildings such as a: <ul style="list-style-type: none"> <li>Free standing house</li> <li>Townhouse, villa or duplex</li> <li>Unit, flat or apartment</li> <li>Semi-detached house or terrace</li> </ul>	Buildings and/or Contents you own within, but not limited to: <ul style="list-style-type: none"> <li>Buildings located on a commercial farm</li> <li>Houseboats</li> <li>Primary residences</li> <li>Caravans / Mobile homes</li> </ul>
The type of Contents you own	<ul style="list-style-type: none"> <li>We will cover household contents or items that you own or are legally responsible for, and</li> <li>Are items which you have left at the property for use by the tenant as defined in the PDS</li> </ul>	Contents listed as excluded 'contents that we don't insure' or 'contents do not include' in the PDS such as: <ul style="list-style-type: none"> <li>Animals</li> <li>Trailers</li> <li>Watercraft</li> </ul>
How the property is used and occupied	A private residential building that: <ul style="list-style-type: none"> <li>Is a secondary property used as a holiday home</li> <li>Is rented out to tenants for short term stays of less than 3 months</li> </ul>	The Property is a business, including but not limited to: <ul style="list-style-type: none"> <li>Bed &amp; breakfasts</li> <li>Nursing homes</li> <li>Retirement villages</li> <li>Boarding houses</li> <li>Public/community housing</li> <li>Used predominately for commercial or business reasons (other than for holiday rental purposes)</li> </ul>
The condition of the property that you rent out	The Property meets the acceptable dwelling criteria, including being: <ul style="list-style-type: none"> <li>Secure</li> <li>Watertight</li> <li>Structurally sound, and</li> <li>Well maintained</li> </ul>	The property fails the acceptable dwelling criteria, including being: <ul style="list-style-type: none"> <li>Under renovations that costs more than specified in the PDS</li> </ul>

### 3.2 Needs and objectives

This product has been designed for people who require a choice of different covers as set out in the table below. The PDS has specific coverage and limitations.

Needs and objectives	Packaged cover	Customised cover
Are seeking cover for damage to the Buildings and/or Contents which you own as a holiday property and/or have been left for use by the tenants at the property	Contents only	Yes
Are seeking Liability cover	Yes	Yes
Are seeking cover for Flood	Yes	Yes
Are seeking cover for Accidental Damage	Yes	Yes
Are seeking cover for damage caused by tenants to the Buildings and/or Contents items which you own and have been left for use by the tenants at the property	Yes	Optional

### 3.3 Financial situation

A person who is able to pay premiums in accordance with the chosen premium structure, excess, fees and government charges, having regard to personal circumstances and vulnerability or hardship considerations.

Relevant financial situation considerations include:

- Ability to potentially vary your premium by considering different levels of cover/ options
- Ability to potentially vary your premium level by choosing your excess
- Ability to choose to pay your premium annually or by instalment.

### 3.4 Consistency with the target market

The insurance product including its key attributes is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market, as we consider that it provides the required type of insurance cover for that class of customers. This has been determined based on an assessment of the insurance product including its key attributes. Individual customers will need to consider whether this insurance product meets their specific objectives, financial situation and needs.

#### 4. How this product is to be distributed and distribution conditions

The following distribution conditions apply:

- This product is designed to be distributed by us or our distributors through the following means, where authorised:
  - Online through relevant websites
  - By contacting a call centre
  - Via a property manager/real estate agent
  - Via a broker
  
- This product can only be issued to people where they are eligible for that cover in accordance with the application and/or acceptance/ renewal criteria that has been approved in writing by the issuer and which complies with relevant laws.
  
- This product can only be distributed by us or distributors where we or our distributors have received training and relevant accreditation (if required) and have met annual compliance reviews.

The distribution conditions will make it likely that customers who acquire the insurance product are in the target market, as we consider that the distribution conditions are appropriate and will enable us and our distributors to direct the insurance product to the class of customers who fall within the target market set out above. This has been determined based on an assessment of the distribution conditions and the target market.

#### 5. Reviewing this Target Market Determination

We will review this Target Market Determination in accordance with the below.

Initial review	Within two (2) years of the effective date
Periodic reviews	At least every two (2) years from the initial review
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include, but not be limited to:</p> <ul style="list-style-type: none"> <li>• A material change to the design or distribution of the insurance cover, including related documentation</li> <li>• An alteration in acceptance criteria or underwriting criteria</li> <li>• Systemic issues across the product lifecycle</li> <li>• Significant changes in metrics including claims, complaints and loss ratios</li> <li>• Distribution conditions are no longer appropriate</li> <li>• We have determined that a significant dealing has occurred</li> <li>• External events such as adverse media coverage or regulatory attention</li> </ul>

Where a review trigger has been identified, this Target Market Determination will be reviewed within 10 business days.

**6. Reporting and monitoring this Target Market Determination**

We will collect and require our distributors to report on the following information in relation to this TMD:

Complaints	All complaints in relation to this product on a quarterly basis. This will include written details of the complaints.
Sales data	Relevant sales and customer data in relation to this product on a monthly basis.
Claims data	Relevant claims data in relation to this product on a monthly basis.
Significant dealings	Report if we or they become aware of a significant dealing in relation to the product that is inconsistent with the TMD within 10 business days.

**7. PDS to which this Target Market Determination applies**

This TMD applies to the following PDSs:

PDS Reference
SGUA Holiday Property Protection